



## MEMORANDUM

To: Members of the Michigan House Energy & Technology Committee

From: Jason Geer, Director of Energy & Environmental Policy

Subject: House Bill 5184

Date: March 18, 2014

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The purpose of this memo is to inform you that the Michigan Chamber of Commerce **opposes House Bill 5184**. This legislation would have serious consequences on Michigan's ability to generate power and maintain reliability.

It is critical that Michigan has an energy policy that utilizes a diverse portfolio by balancing cost, reliability, efficiency, and investing in the future. The bipartisan law passed in 2008 focused on balancing these many priorities for the benefit of Michigan's residents and businesses. House Bill 5184 would undo many of these policy decisions resulting in an energy policy that could have a damaging impact on all ratepayers.

Affordability is a critical issue, but ensuring Michigan businesses and residents have adequate power generation capacity and reliable power are just as critical. Deregulation is all about driving down short term costs at the expense of long term investment in generation and reliability. Current energy policy guarantees that our power will be on when we need it, stay on as long as we need it, and we will only pay for what we use. Deregulation will only lead to a more challenging and problematic energy policy. We need to follow Governor Snyder's lead and work together to improve the quality energy policy we already have.

The Michigan Chamber supports Governor Snyder's efforts to reduce overall energy costs and specifically his proposal to lower costs for high intensity users. This will provide a more competitive rate structure for Michigan job providers. The Governor has said he believes electric choice is not a silver bullet to making Michigan businesses more competitive and we agree. We are committed to working with members of the House and Senate to ensure competitive rates for all ratepayers based upon cost of service principles.

The Michigan Chamber of Commerce requests that you **Vote No on House Bill 5184** to ensure that Michigan continues to maintain a strong and responsible energy policy.

If you have any questions about our position, please feel free to contact us at 517-371-2100.